



CHARGES FOR RESIDENTIAL CARE OF THE MENTALLY RETARDED
IN STATE INSTITUTIONS IN THE UNITED STATES

A COMPARISON OF PRESENT CHARGE SYSTEMS
WITH THE POLICY SET FORTH BY NARC

by

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\$1.00

NOVEMBER 1966

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FOREWORD

Bernard M. Fineson

Bernard M. Fineson, President
National Association for Retarded Children

SUMMARY

This report presents the results of a study of charges for residential care which represents a follow-up to the previous 1963 NARC study on this subject. A comparison of maximum charges in 1956, 1960, and 1966 shows a continuing upward trend in most states. An examination of charge systems in the light of the NARC policy (resolution) on charges shows that only a few states have features which NARC suggests, and that progress toward acceptable charge systems is slow.

Although there appears to be a fair amount of activity on the matter of improved charge systems, more effort is needed in a great many states to investigate and understand the state's system, and to promote action toward an improved system. It is suggested that the Residential Care Committee of the State Association in each state be assigned the task of undertaking this effort aggressively in the immediate future.

An example of an acceptable charge system based upon the NARC policy is given on pages 11 to 16 and in Figure 5.

INTRODUCTION

In 1963, the National Association for Retarded Children published the report, "Charges for Residential Care of The Mentally Retarded," reference 1, as a section of the Study on Institutions and Institution care. This report presented a comprehensive study of charges as of 1960-61, an analysis of trends, and a study of the performance of present systems, including "ability-to-pay" procedures. This report also examined attitudes of parents and community, and developed a statement of philosophy on charges.

This philosophy was adopted by the NARC in a resolution passed in its general meeting at the annual convention of October 1962. This resolution became the official policy of NARC on charges, and is reprinted as Appendix A of this report.

Late in 1965 it became apparent that an updating of the previous study should be instituted. Such an updating would give help and guidance to the various states by showing the trends and progress which had taken place since the last study.

It was decided that the new study should not attempt to repeat the broad study of the 1963 report, but should rather examine the charge system in each state in the light of the various points of the NARC policy on charges. Accordingly, a questionnaire was prepared and sent to the State Association for Retarded children in all 50 states and the District of Columbia. A copy of this questionnaire is shown as Appendix B. A comparison of the resolution and the questionnaire will show that the first five questions of the questionnaire were designed to probe the situation in each state with regard to the first five items set forth in the NARC policy (resolution) on charges. The last four questions solicited general comments or information.

This report presents the information obtained from this questionnaire with brief analysis and comment.

RESPONSE TO THE QUESTIONNAIRE

The questionnaires were sent to the president or executive directors of State Associations for Retarded Children with the letter shown in Appendix B. One follow-up letter was necessary three months later to about twenty-three states which had not replied.

It was hoped that each State ARC would have the information requested on the charge system in its own state, since only simple, basic information was asked. Some states, indeed, answered every question fully. Other omitted answers or gave partial answers, while seven states did not return the questionnaire at all. Nine states sent the questionnaire to state department people or to the institution itself for answer. The following table summarizes the returns:

Questionnaires sent	51
Answered by ARC officer or Exec. Dir....	33
by Institution.....	4
by State Department.....	5
by other	2
Unanswered	7

The information received was variable as to usefulness. For example, although the questionnaire showed in Question 1 that charges were desired in dollars per month, some questionnaires were returned with the answer, 'full cost of care,' with no answer in dollars.

Accordingly, the data presented in this report leaves a bit to be desired in that it is not complete, nor is its accuracy considered impeccable. Analyzed in the light of the previous report, however, this information does appear to give a picture of the present situation on charges in the U.S. and an indication of trends which will be useful to Associations for Retarded Children. Accordingly, it has been published for use primarily by the National Association for Retarded Children and its State and Local Member Units.

ANALYSIS OF ANSWERS

Question 1; Maximum Charges for Residential Care

NARC Policy; "The maximum responsibility of parents for the cost of care of the retarded in public institutions shall be limited to the cost of rearing a normal child at home."

The information obtained from the questionnaire on maximum charge to parents is shown in Figure 1.

The NARC has not specified a "cost of rearing a normal child at home," and it is admittedly difficult to arrive at a value for this cost. One value often mentioned is the amount allowed for Federal income tax exemption for one child, namely \$600. When attempting to choose a value for comparison purposes, it must be remembered that family "overhead" cannot be included here (rent, lights, heat go on even if a child leaves the family) and that the family will ordinarily be supplying clothing, transportation, and incidentals for the child in residential care. It may well be argued, therefore, that the remaining cost of rearing a child at home, or the child's "share" of family income which can be used to pay for residential care, may be in the vicinity of \$600 per year, on the average. This value will be used for comparison and also for the "example" charge system presented on page 14. Most of the charges shown on Figure 1 are well above this level of cost. Thirty-two of the states charge more than \$600, while only eleven states charge approximately \$600 or less. These states are South Dakota, North Dakota, California, Illinois, Louisiana, Iowa, Minnesota, West Virginia, Washington, Kansas and Mississippi. Only five more states have charges of less than \$1,000 per year: Oklahoma, Wisconsin, Utah, Indiana, and North Carolina.

Figure 2 shows the same data plotted to show the changes which have occurred since the last NARC report. The point for each state is identified. Points located on the solid line show states for which the charge is the same in 1966 as it was in 1960-61, while points above this line show increases and points below the line show decreases since the last report.*

* The reader is cautioned that some inconsistencies have been noted in data from 1960-61 and earlier. It appears possible that some confusion of maximum statutory charge values with maximum charge to parents may have occurred and may give erroneous trend indications.

An example is shown on the chart illustrating how numbers may be read.

The figure shows that eleven states have about the same charges as in 1960, while twenty-five have raised their charges, many by a large amount. Only seven states have lowered their charges.

Figure 3 presents data from the three NARC surveys, references 1, 4, and the present report- The change in maximum annual charge over a ten-year period is shown, based upon information supplied to the NARC. The states are grouped according to the six NARC regions- The general upward trend of maximum charge is apparent. Note also that the recent period (1960-61 to 1966) shows steep increases for some states and steep decreases for others.*

Thus, while a few states have changed their charges and their philosophy on charges in the direction suggested by the NARC policy, there are many which seem to be heading in the opposite direction. The general inability of most states to actually collect higher and higher charges was discussed in detail in Reference 1. This inability is one of the arguments for abandoning the policy of charging the full cost of care and moving instead toward a more realistic system.

It should be noted that changes in maximum charge to parents may not reflect important changes which may have occurred for parents who pay less than the maximum. Two particular cases in point are Michigan and Connecticut, whose new laws will be discussed in a later section of this report.

Question 2: Minimum family income at which charges start.

NARC Policy: "Other than provision of clothing and incidentals, no charges for institution care shall be made for families whose incomes are below those described as 'modest but adequate' by the Bureau of Statistics, U.S. Department of Labor."

* The lines drawn between symbols are for identification only and do not show the detailed variation of charges between points. Other values of maximum charge undoubtedly were in force between the years surveyed; however, this data is not available.

Unfortunately, many states missed the point of this question, even though reference to the NARC policy was made to clarify the question. The following states gave values of minimum annual income below which no charge is made:

<u>State</u>	
Connecticut	\$4,000 (Net Taxable Income)
Illinois	4,800 (Gross, family of four)
Michigan	5,000 (Net Taxable Income)
Minnesota	4,000 (Gross)
Missouri	3,600 (Gross, family of four)

About thirty states indicated that they have no specified minimum, while five states gave no information. In the questionnaires from a few other states, including Colorado and Iowa, a minimum was inferred but not specifically stated. It seems probable that not many more than the five states listed above have formally established minimums, and that in the other states the agency performing the "ability-to-pay" determinations does as it sees fit on this matter. It should be recognized that some states may have established informal policy or guidelines on this matter. For example, the New Jersey Welfare Council has published minimum salary guidelines which follow closely the philosophy of the NARC policy statement.

Thus, only five of the states which levy charges have established a minimum-income provision. The NARC policy recommends use of the "modest but adequate" level of income given in the current report of the USDL Bureau of Labor Statistics (Reference 2) as the minimum below which charges shall not be made. Only two of the states in the list above, Connecticut and Michigan, can be said to have minimum-income provisions which are in reasonable agreement with the level of income suggested by the NARC.

Question 3: Method or criteria for determining charges less
than maximum.

NARC Policy; "For families with incomes above the minimum level, criteria and procedures for determining

charges should be developed, based primarily upon net taxable income."

Only six states indicated in the answers to this question the use of net taxable income as the primary criteria. Those states are:

Colorado	Louisiana*
Connecticut	Michigan
Georgia	Utah

The answers from other states indicated directly that the criteria is "ability-to-pay," or gave the impression from information presented that this is the case.

Thus, it appears that a very small number of states utilize the procedure proposed by the NARC policy. The purpose of this policy is to eliminate the necessity for subjecting parents to frequent detailed review of financial status by substituting the very simple criteria of net taxable income as shown on the family's income tax return, either state or federal. This criteria should ordinarily be the best direct index of a family's ability to pay. It is encouraging to note that two states with important new charges legislation, Michigan and Connecticut, have both selected this criteria for determining charges.

Question 4; Limitation of period of charges.

NARC Policy; "Responsibility of parents for charges shall be reduced or cease if the period of institutional care is very prolonged or when the child reaches age 21."

The eleven states which indicated limitations on period of charges are listed in the following tables

<u>STATE</u>	<u>LIMITATIONS</u>
Colorado	21st birthday or payments for 15 years, whichever is later
Connecticut	21 years of age or 16 years of payments, whichever is later

* Considered generally to be a no-charge state because charges are essentially voluntary.

<u>STATE</u>	<u>LIMITATIONS</u>
Illinois	12 years for responsible relatives-- no time limit for patient's estate
Iowa	21 years of age
Maryland	21 years of age
Michigan	21 years of age or 15 years of payments, whichever occurs first
Minnesota	21 years of age
North Dakota	21 years of age or 15 years of payments, whichever occurs first
Tennessee	21 years of age
Wisconsin	21 years of age
New York*	21 years of age

In Reference 3, five other states are listed in 1962 as having no charges after patient or resident reaches 21 years of age-- Kentucky, Mississippi, North Carolina, West Virginia, Hawaii. Questionnaires returned from the first four of these states indicated no limitations to charges in 1966.

It will be noted that two states in the above list (Colorado and Connecticut) apparently require payments for 15 or 16 years. This provision means that a family which has cared for a retarded child at home until the child was 21 would still be required to make payments until the retardate was 35 years of age.

It is recognized that some other states may have informal or procedural arrangements for limiting or reducing payments; for example, one questionnaire indicated that charges may be reduced when parents reach retirement.

Although this point was not specifically probed by the questionnaire, a number of questionnaires contained the notation

* A new law, effective June 1966.

that the limitation applied to parent's responsibility only, or that the patient's own liability continues. This arrangement is in general agreement with point 6 of the NARC resolution (Appendix A).

Question 5; Does difference between adjusted and maximum statutory charges accrue as debt to parents?

NARC Policy; "No charges or debt shall accrue for other than the charges set by the procedures outlined above. There shall be a statute of limitations to provide that no charges can be recovered which are past due for more than five years."

The information obtained from this question is shown below.

<u>ANSWER TO QUESTION 5</u>	<u>NUMBER OF STATES</u>
Yes	10
No	30
No, but accrue to estate of parents	1
No Answer	3

A few states which answered "yes" above added the notation that the statute was seldom enforced.

A number of questionnaires which had been answered either "yes" or "no" contained notations to the effect that collection could be made from parent's estate. Other answers appeared to reflect confusion on the part of respondents on this question. The conclusion to be drawn from the answers to this question must be that a significant number of states do have laws which permit accrual of debt to the parents or to their estate. A second conclusion would be that the respondents to the questionnaire, primarily ARC people, are not well informed on this point. It is suggested that further investigation is in order in states where the answer to this question is not clearly understood.

Questions 6 through 9;

It is impossible to present the many comments and statements made on items six through nine of the questionnaires and elsewhere. Many reflected situations of the sort discussed in the NARC 1963 report: Inequities in levying charges; difficulty

in obtaining information on system of levying charges; no charges for children with other handicaps, but charges for retarded; pressures on or from legislatures to obtain more revenue from parents of the institutionalized retarded. Several stated that a court test of the whole matter of charges would seem to be necessary. Many reported activity toward new legislation, and some sent copies of enacted or defeated bills. A number expressed hope for further help from the NARC on this subject.

In general, the answers to the questionnaires indicated a good level of interest and a fair amount of activity on the matter of improved charge systems.

A number of states answered Question 9 ".... how NARC can best help you in this field"....by stating that up-to-date information on other states could be helpful. NARC concurs, and is attempting to supply such information in this report. It must be pointed out, however, that it is also vitally important that the ARC people in each state be fully acquainted with charges and the charge system in their particular state if they are to take effective measures. Also, this survey is only as good as the data supplied to the NARC. It is hoped that this survey will stimulate interest and improve knowledgeability to the point where data for future surveys can be more quickly and easily obtained and more complete analyses performed.

DISCUSSION

In the Introduction it was stated that the purpose of this study is to investigate and examine current charge systems in the U.S. in the light of the policy adopted by the NARC.

From the foregoing discussion of questionnaire answers, one must conclude that only a handful of states have charge systems which are in accord with NARC policy on one or more points. One must conclude also that there are many states where increases in maximum charges, as a consequence of continuing a policy of charging the full cost of care, are pushing maximum charges to almost astronomical levels.

On the brighter side, it can be said that in some of these states action is under way to reverse this trend and to move charge systems toward a realistic and reasonable philosophy. In some other states, although neither the amount of charges nor the charge system is adequately aligned with NARC policy, a degree of stability appears to exist which has prevented further increases in charges. In some of these states, also, the situation is known to be under serious study.

A still brighter part of the whole picture is, of course, the new legislation in several former high-charge states, which has moved those states a long way toward the kind of charge system which the NARC propounds. The new system in Illinois, which was introduced in 1964, represents an improved understanding of the problems of the parent, and is reported to be working well. Connecticut's new system represents a very important new understanding in that state, and the new system in Michigan can be regarded as a substantial step in the right direction.

The brightest part of the picture,, naturally, is the states which have long understood the problems of the parent and have instituted and held fast to a charge system which expresses that understanding. In this group are those states in which no charge is made, in which payments are voluntary, or in which a modest sum in accord with the NARC policy is charged.

The citizens of those states whose charge systems continue to reflect lack of understanding of the problems faced by the parents of the institutionalized retarded must undertake a program of investigation, education, and legislative action if they are to obtain the kind of charge system which parents of the institutionalized retarded can face with respect, with hope, and with good will.

THE ELEMENTS OF A GOOD CHARGE SYSTEM

A number of State Associations have asked the NARC "What is a good charge system? How are we to interpret the NARC policy in terms of numbers and dollars in a charge system?"

The NARC has in the past avoided specifying numbers, because of a desire to suggest only policy and to leave the details to be worked out under this policy in each state. However, in view of some of the new charge systems recently developed in a few states, analysis of several of these systems to show the elements of a good system appears to be in order. Also, in view of the expressed need for clarification of the NARC policy, the development of a method of laying out a new plan will be shown, along with an "example" for illustrative purposes.

Three new charge systems. The charge systems for 1966 for Illinois, Connecticut and Michigan have been plotted in Figure 4 as a variation of charge with net taxable income.* The systems previously in use in Illinois and Connecticut are shown for comparison.

Each of these 1966 systems, when examined from the standpoint of minimum income for charges, rate of increase of charges, and maximum charge shows some features which are in line with NARC policy and some which are not.

The Illinois system has a maximum charge of \$600 per year, which is in the rate suggested by the NARC philosophy. The Illinois system, however, begins to collect charges above a net taxable income of about \$2,500, and collects the full charge for a net taxable income of around \$4,500. It would appear that this system is levying heavy charges upon incomes in and below the range which the U»S. Department of Labor defines as "modest but adequate." Also, the rate of increase of charges as income increases is quite steep.

The systems for both Connecticut and Michigan show no charges below \$4,000 and \$5,000 net taxable income, respectively. This situation is in excellent agreement with the NARC policy. Both of these systems also show rates of increase of charge with increased income which are far more gradual than that for Illinois. Connecticut asks, for example, nothing at \$4,000, and \$672 per

Both charge systems for Illinois and the system for Connecticut for 1961-62 were based upon gross income. These systems were converted to net taxable income by subtracting \$2,500 (typical deduction for a family of four) from gross-income figures.

year at \$10,000 net taxable income. This corresponds to about \$10 per month for each increase in income of \$83 per month (before taxes). This amount represents reasonably well the "share" of the family's income which should be used for the institutionalized child and therefore can be stated to be within the spirit of the NARC policy.

The maximum charge for Connecticut is well below the full cost of care in that state; hence, this feature places Connecticut in the group of states which no longer attempt to collect the full cost of care from parents. The maximum charge is, however, \$1,128 per year, somewhat higher than the value suggested by the NARC policy which says that "the maximum responsibility of parents shall be limited to the cost of rearing a normal child at home." The maximum charge in Michigan, \$2,520 per year, approaches the full cost of care in that state. This concept of charging very large amounts which equal or approach the full cost of care is firmly opposed by the NARC, which recommended in Reference 1 that "...the principle of responsibility for the full cost of care...be abolished, and that the community willingly assume a portion of the cost of care of all institutionalized retarded."

Thus, in the charge systems shown on Figure 4 for these three states, we see encouraging trends toward a just charge system. Each of these states has embodied at least one of the elements recommended by the NARC. Unfortunately, other elements show an incomplete understanding of the problems faced by parents. Accordingly, further improvement will no doubt be sought.

It should be noted that there are other states with charge systems which correspond well with the NARC policy in some respects. (For example, note those with low charges in Figure 1). The systems for the three states shown in Figure 4 were selected because they represent interesting new examples of progress in the right direction.

A Method of designing a charge system and an example. The steps and the considerations involved in laying out a charge system can be set forth, based upon the NARC policy and upon analysis of working systems as presented above. A table of charges will be presented to illustrate the method. It is emphasized that this table is only an example. Other systems can be worked out, based upon different assumptions.

The following three steps are suggested in designing a charge system.

Step 1; Choosing the minimum income below which no charge will be made: (Point 2 of the NARC Resolution).

A value of minimum income can be estimated from the USDL Bureau of Labor Statistics report* (Reference 2) for the particular state involved. Assume for this example a gross income of \$6,500. For a family of four (including the retardate) with \$2,500 for exemption (4 x \$600 each plus \$100 in other deductions) \$4,000 net taxable income. At and below this income, the family would pay no charges, but would pay for transportation, clothing and incidentals. In our example, assume \$240 per year, or \$20 per month for these items.

Step 2: Choosing the rate of increase of charges for incomes above the minimum.

For each \$1,000 of net taxable income above the minimum, how much should the family be asked to pay? What is the child's share? About \$200 taxes must be paid from this \$1,000, reducing it to a net of \$800. With this increase above the minimum, the family is just beginning to move out of the "modest but adequate" bracket. The child's share must be less than 25%, because family overhead (rent, automobile, more insurance for Dad, for example) goes on whether the child is at home or not. Assume in our example that 15% of the \$800 is a fair share \$120 per year, or \$10 per month.

Using the above assumptions, the following table of income and charges can be generated.

<u>NET</u>	<u>CLOTHING &</u>	<u>CHARGES</u>	<u>TOTAL</u>	<u>TOTAL</u>
<u>TAXABLE</u>	<u>INCIDENTALS</u>	<u>FOR CARE</u>	<u>COST</u>	<u>ANNUAL</u>
<u>INCOME</u>	<u>MONTHLY</u>	<u>MONTHLY</u>	<u>MONTHLY</u>	<u>COST</u>
\$4 000	\$20	\$20	\$240	
5, 000	20 10	30	360	
6, 000	20 20	40	480	
7, 000	20 30	50	600	
8, 000	20 40	60	720) suggested cut
9, 000	20 50	70	840) off point in
	<u>this range</u>			

This report, published in 1960, shows incomes considered to be "modest but adequate" varying from \$5,370 to \$6,567 as of 1959 in various sections of the country. Allowing for increases in wages and cost of living since 1959, a gross income of \$6,500 has been chosen for the example.

Step 3: Choosing the maximum monthly charge (Point 1 of the NARC Resolution).

The cost of rearing a child at home, as stated earlier, is difficult to specify. However, if for our example we assume that it is about the amount of an individual exemption for federal income taxes, say \$600, then the table above suggests a cut-off point for charges of \$40-50 per month.

This charge system is plotted in Figure 5. It is interesting to note that the above example, generated using the NARC policy, contains certain elements of the charge systems shown in Figure 4. The minimum net taxable income is roughly that used in both the Connecticut and Michigan Systems. The rate of increase of charges with income is also close to the rates used by Connecticut and Michigan. The maximum charge is approximately that specified by Illinois.

CONCLUDING REMARKS

This study of charge systems for residential care of the mentally retarded, in the light of the NARC policy on charges, shows that little progress has yet been made toward good charge systems in most states.

More than half of the states have substantially increased maximum charges since the last NARC study; only a handful have established a minimum income below which no charge is asked or have established net taxable income as a criteria for determining the charges. Less than a dozen states limit the period of parental responsibility for charges.

On the positive side, the study seems to indicate there is a good level of interest and a fair amount of activity on the matter of improved charge systems. In a number of states this matter is under study, and in some states progress is being made toward new legislation. A few new charge systems have been developed which exhibit some of the features recommended by the NARC policy.

An analysis of these features is included in this report along

with a recommended procedure for designing a good charge system, in order to provide more positive guidance to ARC units which are studying this matter.

The study also indicates that more effort is needed in a great many states to investigate and understand the state's charge system, to develop a proposal for an improved system, and to conduct a program to inform the community of the changes which should be made. It is suggested that the Residential Care Committee of the State Association in each state be assigned the task of pursuing this matter vigorously in the immediate future.

REFERENCES

1. Charges for Residential Care of the Mentally Retarded.
A Section of the Study on Institutions and Institution Care by the Committee on Residential Care of the National Association for Retarded Children. NARC, 420 Lexington Avenue, New York, N. Y. 10017. Price: 50 cents
2. "The Interim City Worker's Family Budget." Monthly Labor Review, Report 2346, U.S. Department of Labor, Bureau of Labor Statistics, Washington, D.C.: August, 1960.
3. Eagle, Edward. "Maintenance Charges and Costs for Residents of State Institutions for the Mentally Retarded" American Journal of Mental Deficiency, Vol. 78, No. II, pp. 927-940. November, 1963
4. Responsibility for Costs of Maintenance and Training in Public Institutions for the Mentally Retarded. A study by the Public Institutions Committee of the National Association for Retarded Children. New York: NARC, 420 Lexington Avenue, New York, N. Y. 10017. Price \$1.00

APPENDIX A

The NARC Resolution on Charges for Residential Care of the Mentally Retarded in State Institutions. Passed at NARC annual convention in October, 1962.

Resolution

WHEREAS, mental retardation is a catastrophe which may befall a child in any family, at any economic level, in any community, and

WHEREAS, in the best interest of the retarded person, his family or his community, it may become necessary that he be placed in an institution, and

WHEREAS, for a period of eight years NARC has conducted a comprehensive research and analysis of institution charges in the United States, and

WHEREAS, the conclusions drawn from this research have shown that great differences exist between the charges assessed parents in the various states, and that these charges result in damaging reductions in the standard of living of many families, particularly those families with modest incomes,

NOW, THEREFORE, BE IT RESOLVED, that the National Association for Retarded Children recognizes and commends those states which have acknowledged that the cost of care of the mentally retarded is too great to be carried by the parents alone, and which have assumed a substantial share, or all, such costs, and be it

FURTHER RESOLVED, that the National Association for Retarded Children recommends that in those states where payment for institutional care is required, the charge system should embody the following principles, limitations, and procedurest

1. The maximum responsibility of parents for the cost of care of the retarded in public institutions shall be limited to the cost of rearing a normal child at home.

2. Other than provision of clothing and incidentals, no charges for institution care shall be made for families whose incomes are below those described as "modest but adequate" by the United States Department of Labor statistics.

3. For families with incomes above the minimum level, criteria and procedures for determining charges should be developed, based primarily upon net taxable income.

4. Responsibility of parents for charges shall be reduced or cease if the period of institutional care is very prolonged or when the child reaches age 21.

5. No charges or debt shall accrue for other than the charges set by the procedures outlined above, There shall be a statute of limitations to provide that no charges can be recovered which are past due for more than five years.

6. Assets or entitlements of patients may be applied toward reimbursement to the extent of average per capita cost, with full consideration of his needs upon rehabilitation and release.

APPENDIX B

Questionnaire and Letter sent to 50 states and District of Columbia for the 1965-66 NARC Survey on Charges for Residential Care.

NATIONAL ASSOCIATION FOR RETARDED CHILDREN

420 LEXINGTON AVENUE • NEW YORK, N. Y. 10017 • 689-9290 area code 212



RETARDED CHILDREN
CAN BE HELPED

September 13, 1965

State Executive Directors

Mr. Norman Smith, Chairman
Special Committee on Charges

Status Report on Charges

Several years have elapsed since the resolution on charges for residential care of the mentally retarded was adopted as NARC policy at the NARC Convention in Chicago (Attachment #1). Since that time a number of states have made changes in their statutes pertaining to charges. In order to plan and improve its assistance to State Associations on this subject, NARC needs to maintain current information on the status of the charge situation in each state.

Accordingly, you are requested to provide answers to the questions shown on the following short Status Report (Attachment #2). You will note that the first five questions refer directly to the first five principles set forth in the NARC policy resolution.

You are reminded of previous correspondence from NARC which should be in your files:

- 1) Memo from Norman F. Smith dated May 28, 1963
- 2) Memo from Dr. Henry Cobb regarding "California v. Kirchner" United States Supreme Court dated May 27, 1965

Please complete this questionnaire promptly and return to NARC. The results will be compiled and a digest issued to all states, if such appears appropriate and useful. Thank you.

NS/bbb

cc: State Presidents

5. Do difference between adjusted and maximum statutory charges accrue as a debt to parents?

Yes _____ No _____

Remarkst _____

6. State briefly special problems or situations which are of concern in your state:

7. State any plans, efforts or studies now in progress or any changes anticipated:

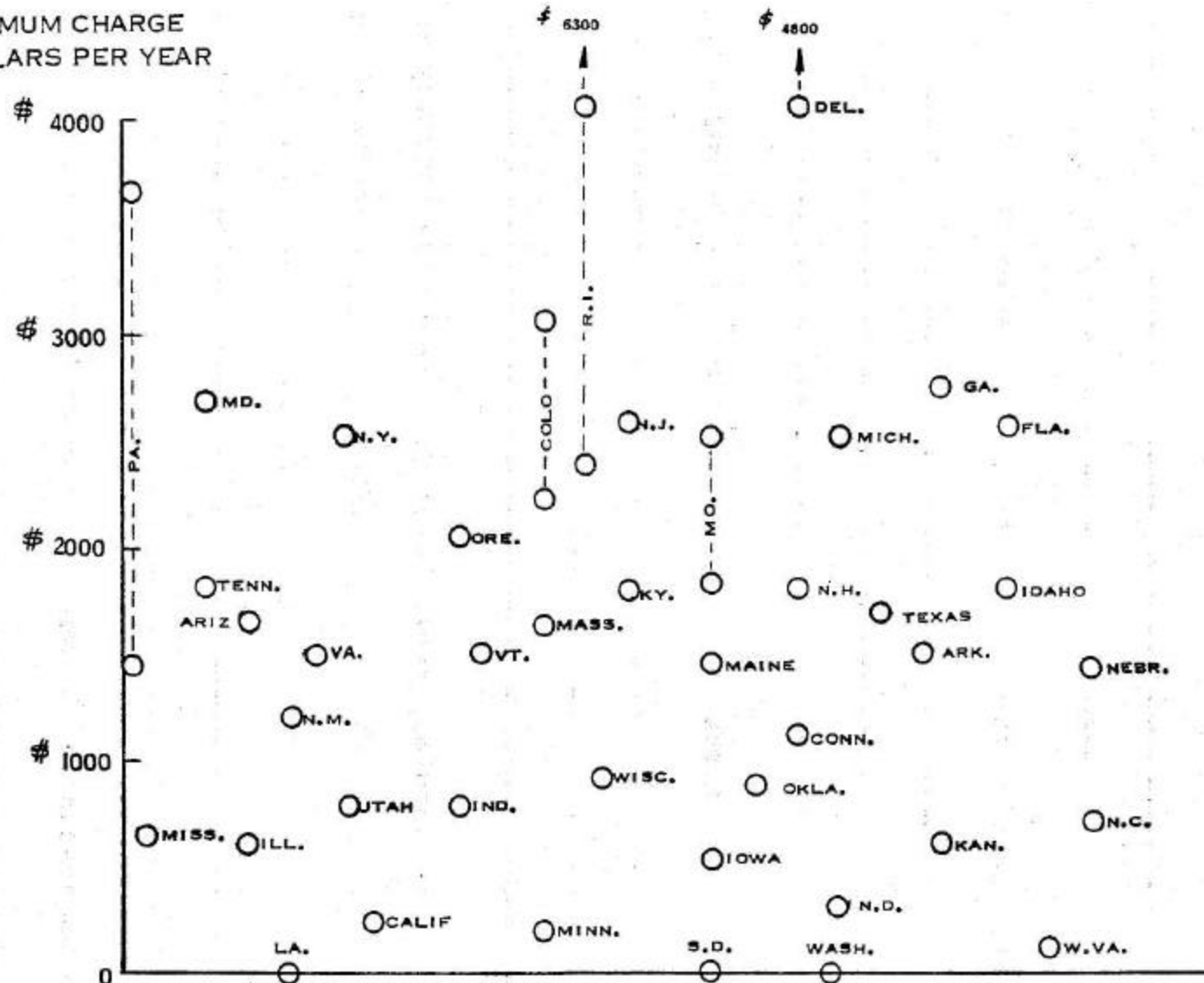
8. Has the maximum statutory charge been decreased significantly within the last few years?

Before _____ After _____ Date of change _____

Reason or Background:

9. State your suggestion as to how NARC can best help you in this field:

MAXIMUM CHARGE
DOLLARS PER YEAR



1966 CHARGES

FIGURE I- MAXIMUM ANNUAL CHARGE TO PARENTS FOR CARE OF CHILD IN PUBLIC INSTITUTIONS FOR THE MENTALLY RETARDED.

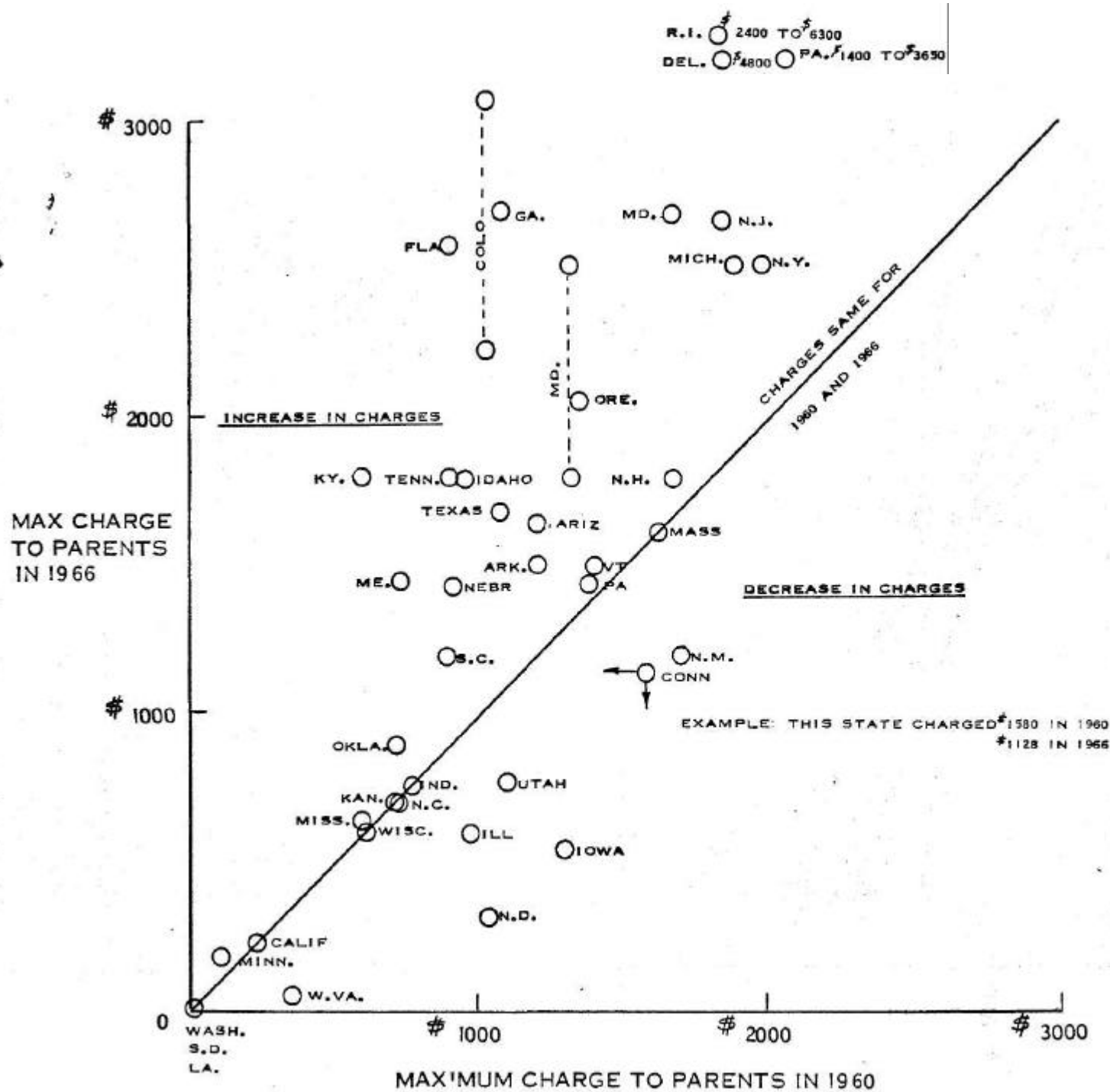


FIGURE 2.- COMPARISON OF MAXIMUM ANNUAL CHARGES FOR 1960-61 AND 1966. STATES ABOVE THE LINE HAVE INCREASED CHARGES SINCE 1960, WHILE THOSE BELOW THE LINE HAVE DECREASED CHARGES.

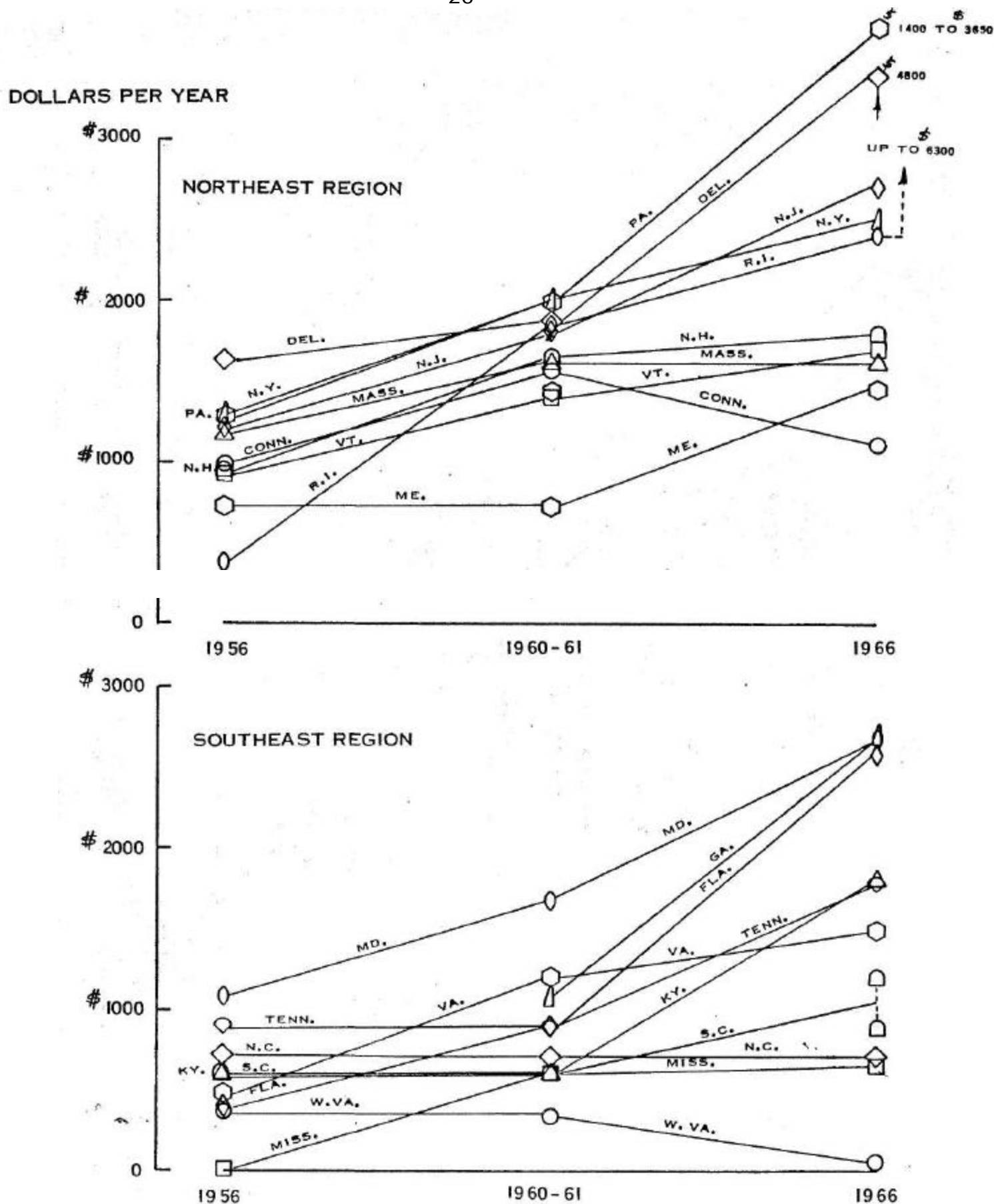


FIGURE 3- VARIATION OF MAX ANNUAL CHARGE IN STATE INSTITUTIONS FOR THE MENTALLY RETARDED AS DETERMINED BY THREE NARC SURVEYS'. 1956 FROM REFERENCE 2; 1960-61 FROM REFERENCE 1; 1966 FROM THE PRESENT SURVEY.

DOLLARS PER YEAR

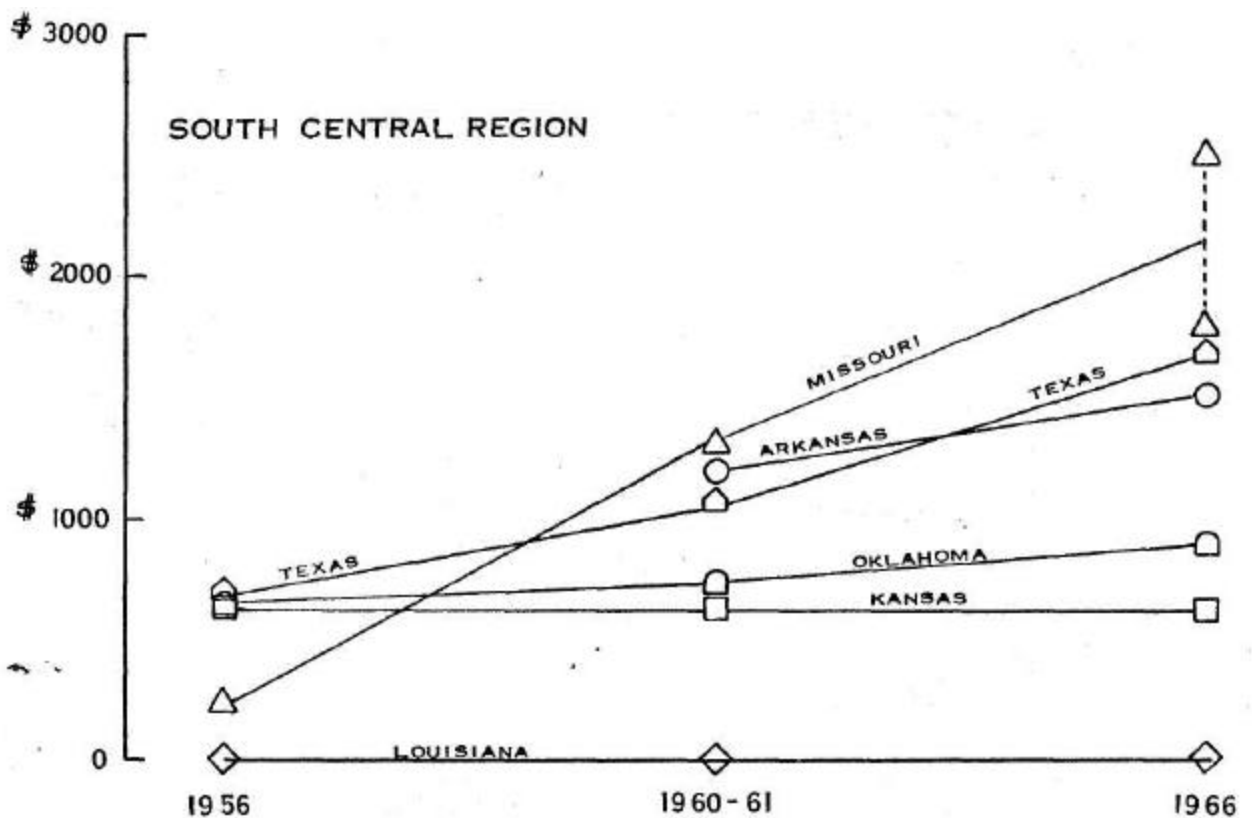
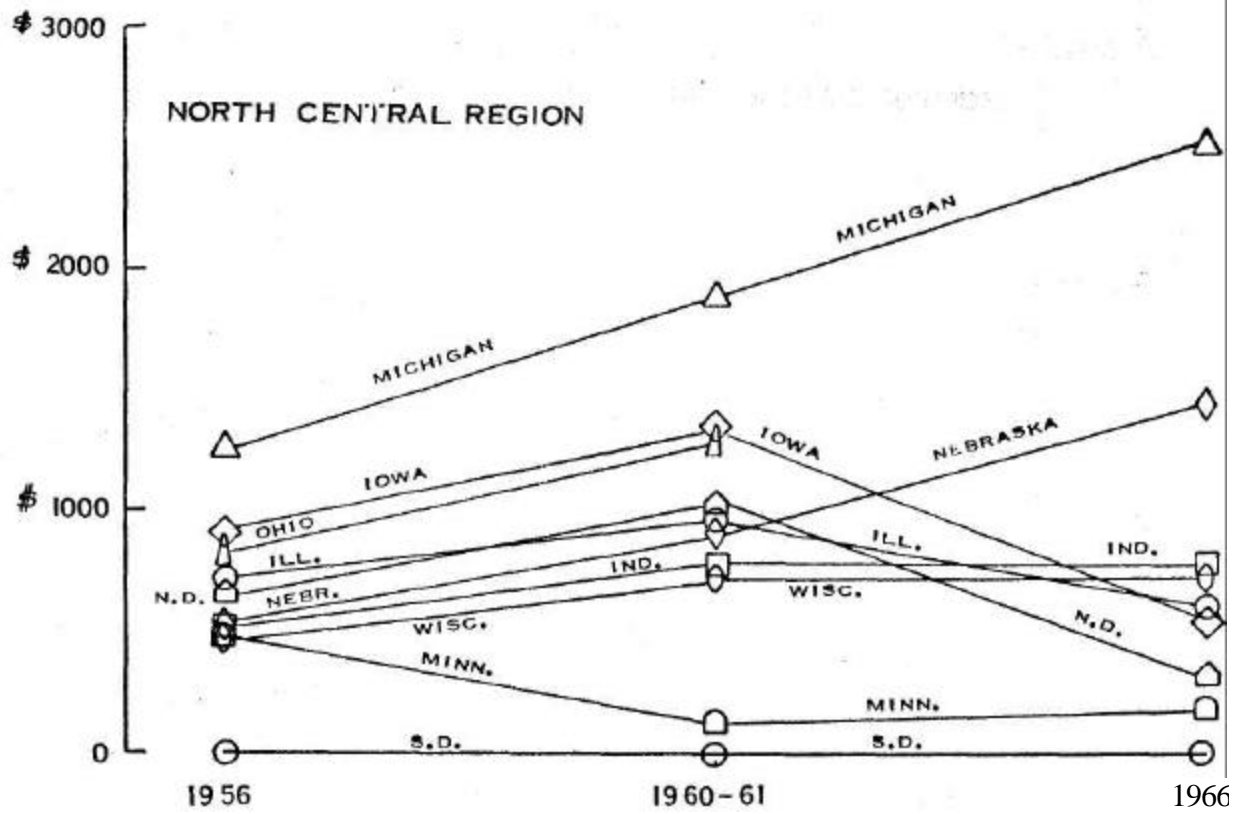
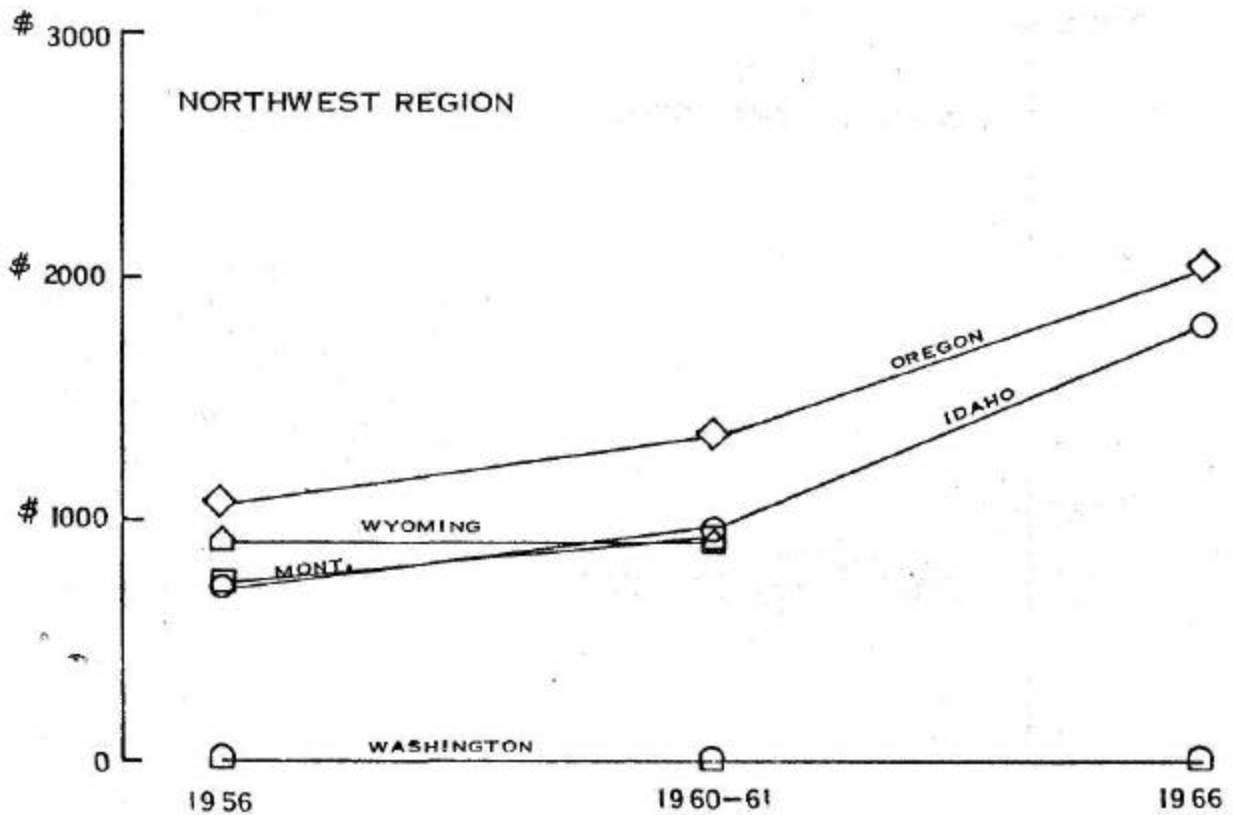
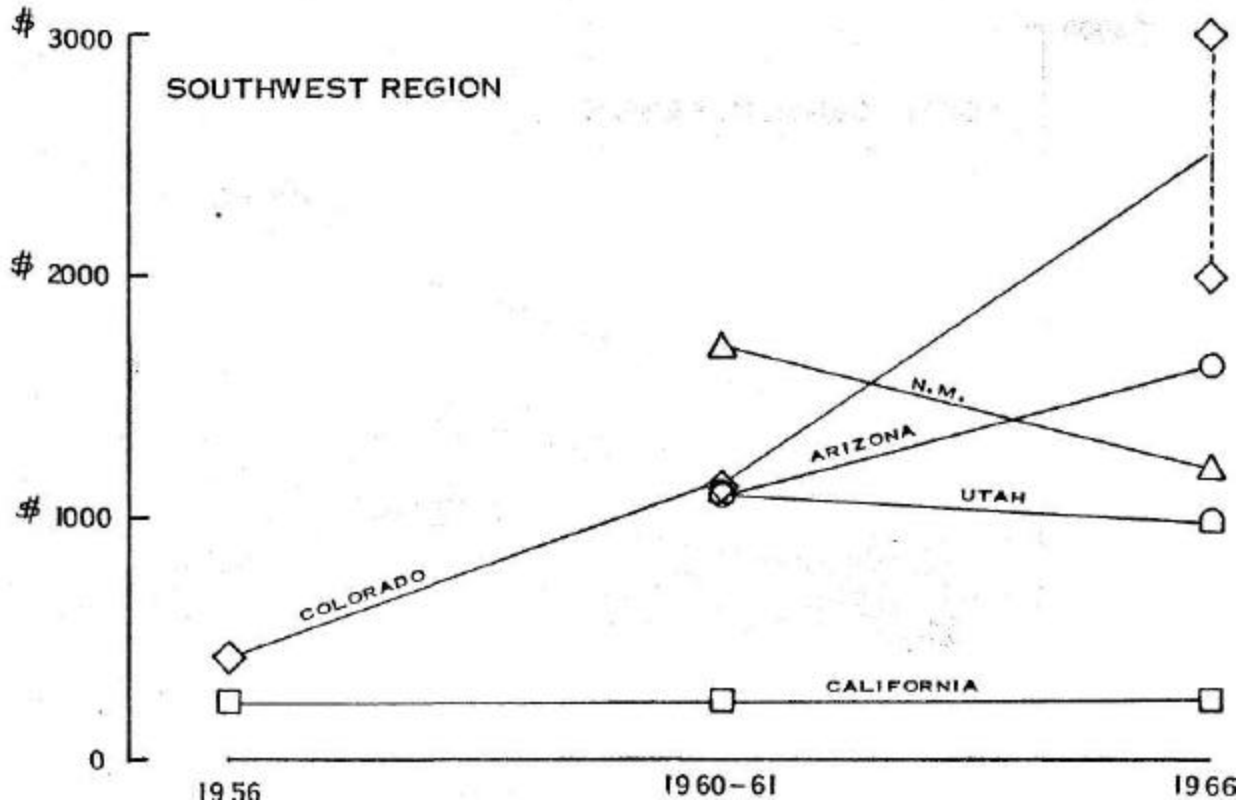


FIGURE 3.- CONTINUED.

FIGURE 3- CONCLUDED.

DOLLARS PER YEAR



DOLLARS PER YEAR

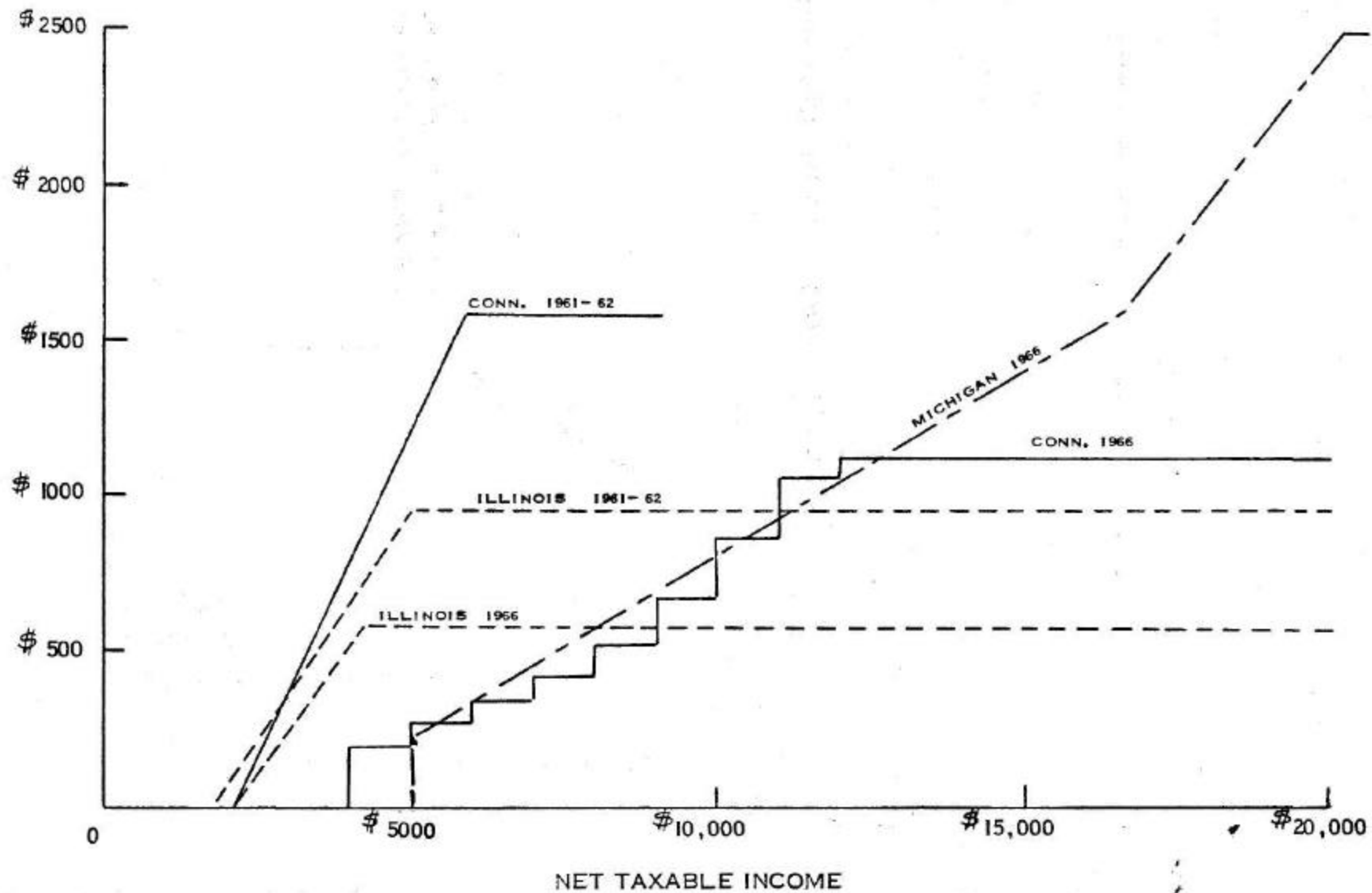


FIGURE 4.- THE VARIATION OF CHARGE WITH NET TAXABLE INCOME IN THE CHARGE SYSTEMS OF CONNECTICUT, MICHIGAN, AND ILLINOIS IN 1961-62 AND 1966.

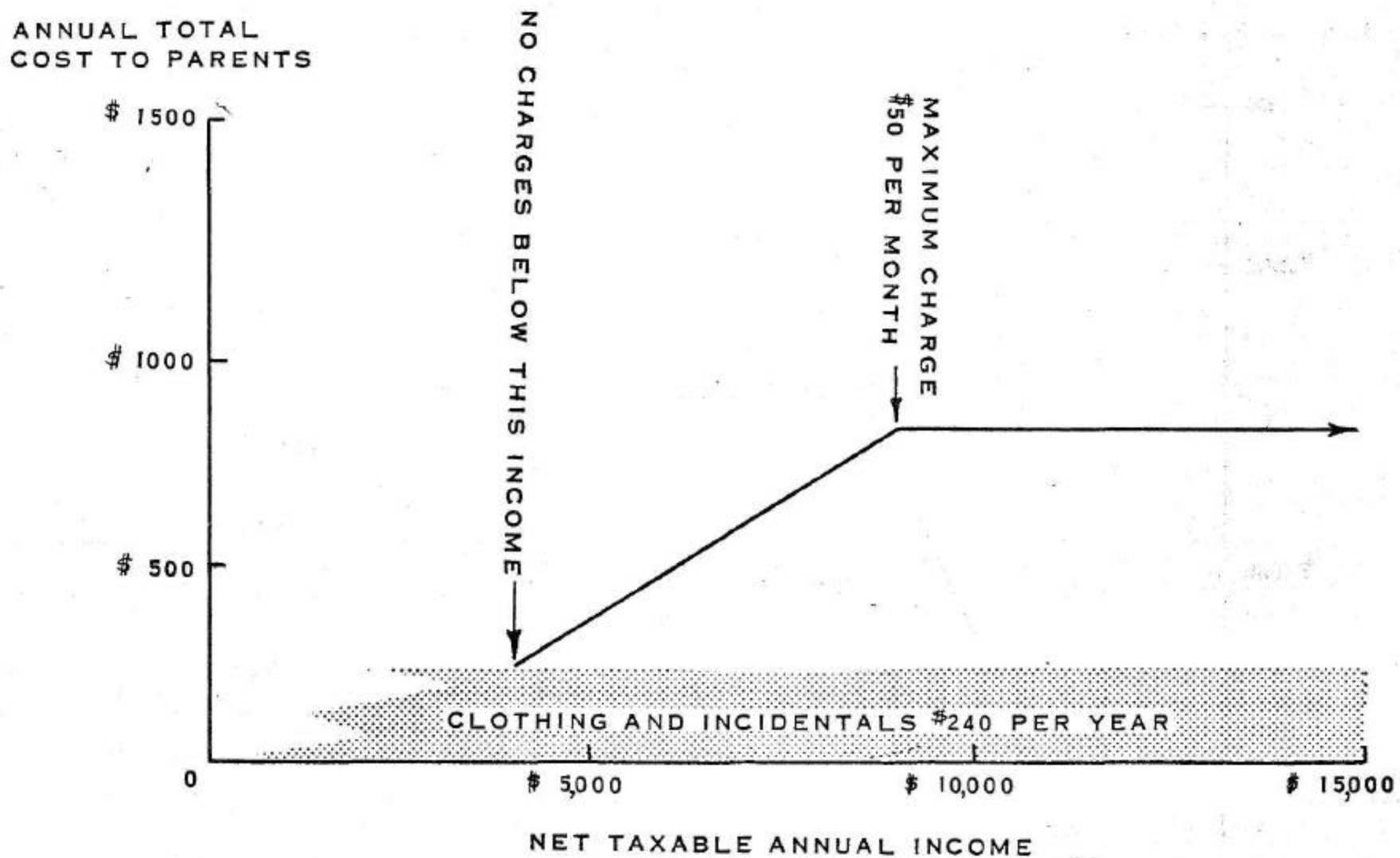


FIGURE 5.- EXAMPLE OF CHARGE SYSTEM WHICH CORRESPONDS WITH NARC POLICY ON CHARGES.

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